

Information on consolidation perimeter and group companies

1 Consolidation area

Based on the IFRS 10, the Consolidated financial statements include the figures for both the Parent company and the subsidiaries directly or indirectly controlled.

At 31 December 2015, the consolidation area decreased from 473 to 435 companies, of which 394 are subsidiaries consolidated line by line and 41 associated companies valued at equity. The decrease is mainly due to the completion of the BSI disposal as well as to mergers in some Group countries as a result of restructuring policies put in place.

Changes in the consolidation area compared to the previous year and the table listing companies included in the consolidation area are attached to these Notes, in the Appendix related to the change in the consolidation area, compared to 2014.

tails regarding restrictions on Group assets, please refer to paragraph 47 Contingent liabilities, commitments, guarantees, pledged assets and collaterals in Additional information section.

Non-controlling interests

A summary of the financial information relating to each subsidiary that have non-controlling interests material for the Group is provided here below. The amounts disclosed are before inter-company eliminations (except for the item “Cumulated non controlling interests of the subsidiary” and “profit or loss attributable to non-controlling interests” that are disclosed from a consolidated perspective).

2 Disclosures on interests in other entities

2.1 Interests in Subsidiaries

Significant restrictions

In relation to the Group's interests in subsidiaries, no significant restrictions exist on the Group's ability to access or use its assets and settle its liabilities. For further de-

Non-controlling interests

| Principal place of business (€ million) | Gruppo Banca Generali Italia | | Generali China Life Insurance Co. Ltd Cina | |
|---|---------------------------------|--------------|---|--------------|
| | 31/12/2015 | 31/12/2014 | 31/12/2015 | 31/12/2014 |
| BALANCE SHEET | | | | |
| Investments | 5,430 | 5,622 | 7,370 | 5,906 |
| Other assets | 570 | 470 | 287 | 233 |
| Cash and cash equivalents | 228 | 176 | 187 | 114 |
| TOTAL ASSETS | 6,229 | 6,268 | 7,844 | 6,252 |
| Technical provisions | - | - | 5,477 | 4,382 |
| Financial liabilities | 5,135 | 5,314 | 1,142 | 1,033 |
| Other liabilities | 448 | 407 | 390 | 233 |
| Net Assets | 646 | 547 | 835 | 604 |
| TOTAL NET ASSETS AND LIABILITIES | 6,229 | 6,268 | 7,844 | 6,252 |
| NET ASSETS ATTRIBUTABLE TO NON-CONTROLLING INTERESTS | 306 | 254 | 419 | 303 |
| INCOME STATEMENT | | | | |
| Net earned premiums | - | - | 1,229 | 617 |
| Fee and commission income | 767 | 583 | 4 | 4 |
| NET RESULT | 381 | 284 | 121 | 40 |
| OTHER COMPREHENSIVE INCOME | 4 | 13 | 125 | 155 |
| TOTAL COMPREHENSIVE INCOME | 385 | 297 | 247 | 194 |
| TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO NON-CONTROLLING INTERESTS | 101 | 79 | 59 | 20 |
| DIVIDENDS PAID TO NON-CONTROLLING INTERESTS | 56 | 54 | 8 | 3 |
| CASH FLOW | | | | |
| cash flow from operating activities | -915 | -997 | 736 | 173 |
| cash flow from investing activities | 960 | 1,170 | -726 | -384 |
| cash flow from financing activities | -112 | -102 | 63 | 221 |

Transactions with non-controlling interests

No Relevant transactions with minority shareholders occurred during 2015. As reported in the paragraph "main events of 2015", in January the Generali Group completed the takeover of Generali PPF Holding B.V. (GPH), acquiring the remaining 24% of shares held by the PPF Group, in line with the agreements signed in January 2013. For accounting purposes the effects of the operation had been already reflected in the financial statements closed at 31 December 2014.

2.2 Interests in Associates

In relation to the Group's interests in associates, no significant contractual, legal or regulatory restrictions exist on the Group's ability to access or use its assets and settle its liabilities. With respect to contingent liabilities, please refer to paragraph 47 Contingent liabilities, commitments, guarantees, pledged assets and collaterals in Additional information section.

The Group has material interests into two associates that are accounted for according to the equity method.

Material Group associates

| Company | Deutsche Vermögensberatung Aktiengesellschaft DVAG | Guotai Asset Management Company |
|---|---|---|
| Nature of the relationship with the Group | DVAG is the leading sales network for financial services in Germany and has an exclusive distribution partnership with a company held by Generali Deutschland Group | Guotai is one of the first professional fund management companies in China. The company manages mutual funds and several Social Security Fund (SSF) portfolios adding up to approximately 60 billion of renmimbi (approximately € 8 billion) value of assets under management |
| Principal Place of business | Germany | China |
| Profit rights/voting rights held (if different) | 30% / 40% | 30% |

The summarised financial information relating to the most significant associates in which the Group has an interest including the reconciliation with the related carrying amounts (including goodwill, where present) are provided here below.

Summarised financial information - material associates

| (€ million) | Deutsche Vermögensberatung Aktiengesellschaft DVAG | | Guotai Asset Management Company | |
|---|---|---------------|---------------------------------|------------|
| | 31/12/2014(*) | 31/12/2013(*) | 31/12/2015 | 31/12/2014 |
| INCOME STATEMENT | | | | |
| Revenues | 1,235 | 1,191 | 212 | 85 |
| Profit from continuing operations | 154 | 176 | 81 | 20 |
| Profit from discontinued operations after taxes | - | - | - | - |
| OTHER COMPREHENSIVE INCOME | - | - | 9 | 19 |
| TOTAL COMPREHENSIVE INCOME | 154 | 176 | 90 | 39 |
| BALANCE SHEET | | | | |
| Current assets | 1,019 | 990 | 258 | 155 |
| Non-current assets | 178 | 166 | 2 | 5 |
| Current liabilities | 387 | 350 | 36 | 33 |
| Non-current liabilities | 150 | 140 | 42 | 16 |
| NET ASSETS | 660 | 665 | 182 | 110 |

(*) The financial information are referred to the last approved financial statements by the Shareholders meeting of the associated company Deutsche Vermögensberatung Aktiengesellschaft DVAG

| (€ million) | Deutsche Vermögensberatung Aktiengesellschaft DVAG | | Guotai Asset Management Company | |
|---|---|------------|---------------------------------|------------|
| | 31/12/2015 | 31/12/2014 | 31/12/2015 | 31/12/2014 |
| Carrying amount of interest in immaterial associates | 257 | 240 | 130 | 125 |
| Total comprehensive income attributable to the Group | 52 | 64 | 27 | 12 |
| Dividends received during the year | -45 | -.47 | -6 | -6 |
| Carrying amount in investee at the end of the year | 264 | 257 | 151 | 130 |

As part of the commercial relationships in the German area with the distribution partner DVAG, we inform that the controlling shareholder holds an option to sell its majority block of shares to an entity held by Generali Group.

At the reporting date no liability has been accounted for because the put option refers to an associate and therefore it does not fall into the category of the options on non-controlling interests referred to in par. 23 of IAS 32. The potential outflow of resources will be defined by the parties when and if the option is exercised on the basis

of the fair value measurement criteria of the option itself.

Furthermore, the Group holds interests in associates which are not individually material that, as mentioned above, are accounted for according to the equity method. The associates in which the Group has interest mainly operate in the insurance and financial services industries.

For these associates aggregated summarised financial information are provided here below:

Summarized financial information - immaterial associates

| (€ million) | 31/12/2015 | 31/12/2014 |
|--|------------|------------|
| Carrying amount of interests in immaterial associates | 365 | 350 |
| Aggregated Group's share of: | | |
| Profit from continuing operations | 12 | 26 |
| Profit from discontinued operations after taxes | - | - |
| Other comprehensive income | -7 | 8 |
| Total comprehensive income | 5 | 34 |

2.3 Joint ventures

Significant restrictions

In relation to the Group's interests in joint ventures, no significant contractual, legal or regulatory restrictions

exist on the Group's ability to access or use its assets and settle its liabilities, nor significant commitments exist. For further details regarding restrictions on Group assets, please refer to paragraph 47 *Contingent liabilities, commitments, guarantees, pledged assets and collaterals in Additional information section.*

Aggregated information on immaterial joint ventures

| (€ million) | 31/12/2015 | 31/12/2014 |
|--|------------|------------|
| Carrying amount of interests in immaterial joint ventures | 233 | 228 |
| Aggregated Group's share of: | | |
| Aggregated Group's share of: | 17 | 5 |
| Profit from continuing operations | - | - |
| Profit from discontinued operations after taxes | 6 | 14 |
| Total comprehensive income | 23 | 18 |

2.4 Unconsolidated Structured Entities

As of 31 December 2015, Generali Group holds no interests in unconsolidated structured entities that expose the Group to the variability of returns arising from their performance.

However, Assicurazioni Generali is part of a reinsurance contract with a vehicle which provides coverage with re-

spect to the potential losses affecting Generali Group from catastrophes arising from Europe windstorms over a three year period. Generali Group is deemed to be sponsor since it has originated the insurance risk of the structured entity. Generali pays a premium of 2.25% per annum on the €190 million of cover under the reinsurance agreement. The related cost is presented within the "Earned premiums ceded" line in the statement of Profit or Loss.

3 Investments in subsidiaries, associated companies and joint ventures

Investments in subsidiaries, associated companies and joint ventures

| (€ million) | 31/12/2015 | 31/12/2014 |
|--|--------------|--------------|
| Investments in non-consolidated subsidiaries | 293 | 147 |
| Investments in associated companies valued at equity | 780 | 737 |
| Investments in joint ventures | 233 | 228 |
| Investments in other associated companies | 63 | 172 |
| Total | 1,369 | 1,284 |

Following the conclusion of Telco dissolution in June, Telecom Italia ordinary shares owned by Telco – 22.3% of the shareholders' equity – were distributed to its shareholders (of which 4.31% to the Generali Group). With the dissolution becoming effective, the sharehold-

ers' agreement among Telco's shareholders has terminated. This operation has not had any impact on the economic or financial position of the Group. In July the Group completed the sale of its stake in Telecom Italia.

4 Goodwill

Goodwill

| (€ million) | 31/12/2015 | 31/12/2014 |
|--|--------------|--------------|
| Carrying amount as at 31 December previous year | 6,617 | 7,163 |
| Changes in consolidation scope | 0 | 0 |
| Other variations | 43 | -545 |
| Carrying amount as at the end of the period | 6,661 | 6,617 |

At 31 December 2015 goodwill booked by Group in relation to different companies acquisitions amounted to € 6,661 million (+0.7% compared to 31 December 2014).

The table below details the goodwill by relevant companies:

Goodwill: details

| (€ million) | 31/12/2015 | 31/12/2014 |
|------------------------------|--------------|--------------|
| Generali Deutschland Holding | 2,179 | 2,179 |
| Alleanza Assicurazioni | 1,461 | 1,461 |
| Generali Italia | 1,332 | 1,332 |
| Generali CEE Holding Group | 594 | 563 |
| Generali France Group | 415 | 416 |
| Generali Schweiz Holding AG | 322 | 292 |
| Generali Holding Vienna AG | 153 | 153 |
| Other | 204 | 222 |
| Total goodwill | 6,661 | 6,617 |

The increase of the period was substantially attributable to the positive trend in the exchange rates which characterised 2015. The goodwill booked was subject to impairment tests as stated by IAS 36.

Cash generating units were established in accordance with the Group's participation structure and considering the IFRS 8 requirements relating to operating segments, which Assicurazioni Generali identified as Life and Non-Life. Starting from 2015, the recoverability test for the

goodwill of Generali CEE Holding has been performed taking into consideration the entire perimeter of Central Eastern Europe. Previously, the test was limited to the companies acquired by the PPF Group. This change has been made in order to better align the perimeter of analysis to the one that is currently used by management to steer business and for monitoring the performance.

The table below shows the details of the Group's goodwill by cash generating unit:

Goodwill by cash generating unit

| (€ million) | Life | Non Life | Total |
|------------------------------|--------------|--------------|--------------|
| Generali Deutschland Holding | 562 | 1,617 | 2,179 |
| Alleanza Assicurazioni | 1,461 | 0 | 1,461 |
| Generali Italia | 640 | 692 | 1,332 |
| Generali CEE Holding Group | 380 | 214 | 594 |
| Generali France Group | 319 | 97 | 415 |
| Generali Schweiz Holding AG | 91 | 231 | 322 |
| Generali Holding Vienna AG | 76 | 77 | 153 |
| Europ Assistance Group | 0 | 82 | 82 |
| Other | | | 122 |
| Goodwill | 3,529 | 3,010 | 6,661 |

The cash generating units have been defined consistently with IAS 36; with regard to the measurement of the recovery value, as described in the basis of presentation and accounting principles, the Dividend Discount Model (DDM) has been used.

The Dividend Discount Model (DDM) was used for the determination of the recovery value for the following cash generating unit (CGU): Generali Italia, Alleanza Assicurazioni, Generali Deutschland Holding, Generali CEE Holding Group, Generali Schweiz Holding AG, Eu-

rop Assistance, Generali Holding Vienna and Generali France.

This method represents a variant of the method of cash flows. In particular, the Excess Capital variant, defines the entity's economic value as the discounted dividend maintaining an appropriate capital structure taking into consideration the capital constraints imposed by the Supervisor as the solvency margin. This method results in the sum of discounted value of future dividends and the cash generating unit terminal value.

The application of this criterion entailed in general the following phases:

- explicit forecast of the future cash flows to be distributed to the shareholders in the planned time frame,

taking into account the limit due to the necessity of maintaining an adequate capital level;

- calculation of the cash generating unit's terminal value, that was the foreseen value of the cash generating unit at the end of the latest year planned.

The expected cash flows used in the analysis for each CGU, were those detailed in the Strategic Plan 2016-2018, presented to the Board of Directors in December 2015. In order to extend the analysis horizon to a 5 years period, the main economic and financial data were estimated, separately and independently for each CGU, for a further two years (2019 and 2020). In particular, the net result (2019 and 2020) was calculated using a sustainable growth rate for each CGU.

The table below shows the evaluation parameters used for the main CGU:

A) Nominal growth rate (g)

Goodwill: Nominal growth rate (g)

| | g |
|-------------------------------|--------------|
| Generali Deutschland Holding | 2.00% |
| Alleanza Assicurazioni | 2.00% |
| Generali Italia | 2.00% |
| Generali CEE Holding Group | 2.50% |
| Generali France Group | 2.00% |
| Generali Schweiz Holding AG | 1.00% |
| Generali Holding Vienna AG | 2.00% |
| Europ Assistance Group | 2.00% |

B) Cost of equity (Ke) of the company net of taxes:

Goodwill: cost of equity (Ke) net of taxes

| | ke |
|------------------------------|-------|
| Generali Deutschland Holding | |
| Life Companies | 6.90% |
| Non Life Companies | 5.90% |
| Alleanza Assicurazioni | |
| Life Companies | 7.80% |
| Generali Italia | |
| Life Companies | 7.80% |
| Non Life Companies | 6.90% |
| Generali CEE Holding Group | |
| Life Companies | 8.00% |
| Non Life Companies | 8.00% |
| Generali France Group | |
| Life Companies | 7.20% |
| Non Life Companies | 6.20% |
| Generali Schweiz Holding AG | |
| Life Companies | 6.30% |
| Non Life Companies | 5.30% |
| Generali Holding Vienna AG | |
| Life Companies | 7.10% |
| Non Life Companies | 6.10% |
| Europ Assistance Group AG | |
| Non Life Companies | 8.53% |

The cost of equity (Ke) for each entity is extrapolated based on the Capital Asset Pricing Model (CAPM) formula. In detail:

- the risk free rate was defined as the average value - observed during the last three months of 2015 - of the 10-years government bond of the reference area of operation of the CGU, on which the goodwill has been allocated;
- the Beta coefficient was determined based on a homogeneous basket of securities of the non-life and life insurance sectors, which was compared to market indexes. The observation period was 5 years with weekly frequency;
- the market risk premium amounts to 5.5% for all Group's CGUs.

All CGUs passed the impairment test, being their re-

coverable amounts higher than their carrying amounts. Furthermore a sensitivity analysis was performed on the results changing the cost of own capital of the company (Ke) (+/-1%) and the perpetual growth rate of distributable future cash flows (g) (+/-1%) and for Non-life segment also for the main non-financial assumptions. This sensitivity, for Life segment, highlighted that, because of the increase of the Ke of 1%, Generali France and Generali Holding Vienna CGUs showed a recoverable amount substantially equal to the corresponding carrying amount. For Alleanza CGU the matching between the two values was observed with an increase of Ke of 0.8%. In Non-life segment the sensitivities of both financial and non-financial assumptions did not highlight any negative difference between the carrying amount and the recoverable amount.

5 Non-current assets or disposal group classified as held for sale

With reference to policy of divestment of non-core and not strategic assets, as abovementioned, in September 2015, Generali Group concluded the sale of 100% of BSI Group.

Moreover, during the first months of 2015 Generali has

also completed the sale of the Argentinean entities La Estrella, Caja ART and Caja de Retiro. This operation did not lead to additional economic compared to what accounted for in the financial statements as at 31 December 2014.

The following table shows a condensed income statement of the BSI Group.

Condensed profit or loss for discontinued operations

| (€ million) | 31/12/2015 | 31/12/2014 |
|--|------------|------------|
| Revenues | 502 | 1,010 |
| Expenses | -426 | -868 |
| Profit before tax of discontinued operations | 76 | 142 |
| Income taxes | -25 | -46 |
| Profit of the year from discontinued operations | 51 | 96 |

The comprehensive impact on Group net income of the IFRS5 evaluation of the interest in BSI Group, allocated in the item 'result from discontinued operations',

amounted to € - 35 million (€ -112 million as at 31 December 2014).

6 Related parties disclosure

With regard to transactions with related parties, the main intra-group activities, conducted at market prices or at cost, were undertaken through relations of insurance, reinsurance and co-insurance, administration and management of securities and real estate assets, leasing, loans and guarantees, IT and administrative services, personnel secondment and claims settlement.

These services substantially aim to guarantee the streamlining of operational functions, greater economies in overall management, appropriate levels of service and an exploitation of Group-wide synergies.

For further information regarding related parties trans-

actions - and in particular regarding the procedures adopted by the Group to ensure that these transactions are performed in accordance with the principles of transparency and substantive and procedural correctness - please refer to the paragraph 'Related Party Transaction Procedures' included in section IVI 'Internal control and risk management system' of the 'Corporate governance and share ownership report'.

The most significant economic and financial transactions with Group companies that are not included in the consolidation area and other related parties are listed below.

As shown in the table below, the impact of such transactions, if compared on a Group basis, is not material.

Related parties

| (€ million) | Subsidiaries with significant control not consolidated | Associated companies | Other related parties | Total | % on balance sheet item |
|------------------|--|----------------------|-----------------------|-------|-------------------------|
| Loans | 9 | 458 | 624 | 1,091 | 0.2% |
| Loans issued | -6 | -2 | -113 | -122 | 0.2% |
| Interest income | 2 | 7 | 22 | 32 | 0.3% |
| Interest expense | 0 | 0 | -8 | -8 | 0.7% |

The decrease in the loans towards **associated companies** relates to the repayment of the bonds issued by Telco S.p.a. for an amount equal to € 298 million. This repayment was occurred in the context of the spin-off transaction of Telco S.p.A. during the first half of 2015.

As far as **other related parties** are concerned, the most significant transactions are with Mediobanca Group regarding investment bonds for € 624 million, and financial liabilities amounting to € 113 million.

With reference to the paragraph 18 of Related Party Transactions Procedures adopted by the Board of Directors in November 2010, excluding the aforementioned operation with PPF Group, there were no (i) Operations of major importance concluded during the reporting period (ii) Related Party Transactions, concluded during the reference period, which influenced the Group's financial statements or profit to a significant extent.